

# Auditing Procedures Report

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Issued under Public Act 2 of 1968, as amended.

Unit Name	Huron County Drains	County	HURON	Type	COUNTY	MuniCode	32-7-022
Opinion Date-Use Calendar	May 27, 2008	Audit Submitted-Use Calendar	Jun 26, 2008	Fiscal Year-Use Drop List	2007		

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

**Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".**

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/>	18. Are there reported deficiencies?
<input type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 2,789,883.00
General Fund Expenditure:	\$ 3,190,872.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 6,321,899.00
Governmental Activities Long-Term Debt (see instructions):	\$ 11,449,646.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	Douglas	Last Name	Brining	Ten Digit License Number			1101008283
CPA Street Address	64 Westland Drive	City	Bad Axe	State	MI	Zip Code	48413
CPA Firm Name	Brining & Nartker, P.C.	Unit's Street Address	64 Westland Drive	City	Bad Axe	LU Zip	48413

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
FINANCIAL REPORT  
DECEMBER 31, 2007**

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**

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# BRINING & NARTKER, P.C.

*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT

Board of County Road Commissioners of  
Huron County  
Bad Axe, Michigan 48413

We have audited the basic financial statements of the Huron County Drain Funds, a component unit of Huron County, Michigan, as of and for the year ended December 31, 2007, as listed in the table of contents. These financial statements are the responsibility of the Drain Funds' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Huron County Drain Funds as of December 31, 2007, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis information on pages 2 through 6 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Huron County Drain Funds. The schedules and statements on pages 19 through 42 are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Drain Funds of Huron County, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



BRINING & NARTKER, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

May 27, 2008

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Board of County Road Commissioners of Huron County

## ROAD COMMISSIONERS:

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BAD AXE

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## Management's Discussion and Analysis

This section of the Huron County Drain Commission's (the "Drain Commission") annual financial report presents management's discussion and analysis of financial performance for the fiscal year that ended December 31, 2007. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities, and to identify significant changes in financial position and results of operations. Please read this section in conjunction with the auditors' report and with our financial statements that follow this section.

### Financial Highlights

- The Drain Commission's total net assets increased by approximately \$1 million.
- During the year, unrestricted net assets increased by approximately \$17,000.
- Total Revenue sources for the year of \$2.7 million exceeded expenditures of \$1.7 million by \$1 million.
- \$2 million was invested in capital assets during the year.

### Overview of the Financial Statements

Basic financial statements, in accordance with generally accepted accounting principles (GAAP) according to GASB 34, require the presentation of two types of financial statements. These are authority-wide statements and fund statements.

**Authority-wide financial statements** include the statement of net assets and the statement of activities. These provide both long-term and short-term information, and present a broad view of the overall financial status in a manner similar to a private sector business. Long-term assets are capitalized and depreciated. Long-term debt is recorded as a liability. Revenues are recorded when "earned" and expenses recorded when "incurred", without regard to the timing of cash receipts or disbursements.

The statement of net assets includes all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of improving or deteriorating financial position. The statement of activities presents information showing how net assets changed during the year as a result of operating activity.



## **Huron County Drain Commission**

### **Management's Discussion and Analysis (Continued)**

**Fund financial statements** contain individual groups of related accounts and are used to report current liabilities, fund balances, revenues and expenditures. These are presented in more detail as compared to the authority-wide statements. The financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

### **Financial Analysis of the Drain Commission as a Whole**

#### **Net Assets**

The Drain Commission's combined net assets increased during 2007 by approximately \$1 million ending the year at \$14 million. Table 1 below shows the composition of the Drain Commission's net assets at December 31, 2007 and 2006.

Table 1

	<u>Governmental Activities</u> (in thousands)	
	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Current and other assets	\$ 8,272	\$ 8,555
Capital assets and other non-current assets	27,781	30,589
Total assets	<u>36,053</u>	<u>39,144</u>
<b>Liabilities</b>		
Long-term liabilities outstanding	17,502	21,386
Other liabilities	4,148	4,386
Total liabilities	<u>21,650</u>	<u>25,772</u>
<b>Net Assets</b>		
Invested in capital assets – Net of related debt	8,555	7,506
Restricted	5,848	5,866
Total net assets	<u>\$ 14,403</u>	<u>\$ 13,372</u>

#### **Changes in Net Assets**

The Drain Commission's change in net assets is a combination of various revenue sources and expense categories as shown in Table 2.

Revenue from various sources was \$2,751,000, while expenses were \$1,720,000 for 2007. This leaves the Huron County Drain Commission with revenue over expenses from activities for the current year of \$1 million.

## **Huron County Drain Commission**

### Management's Discussion and Analysis (Continued)

#### **Income**

Contributions include revenue from the special drain assessments in 2006.

Interest is the amount of income derived from investments of contingency money.

Miscellaneous revenue is money received from the sale of used material from construction projects. This typically consists of used culvert pipe and bridge materials.

#### **Expenses**

Maintenance work includes projects such as drain dip outs, installing erosion control structures and brush and cattail work.

Contracted Services includes legal and other services.

Miscellaneous is the amount charged against drains such as labor.

Interest is that amount which is paid to various lenders for debt-funded projects.

Table 2

	<u>Governmental Activities</u> (in thousands)	
<b>Revenue</b>	<u>2007</u>	<u>2006</u>
Capital Grants and Contributions	\$ 2,414	\$ 2,126
Interest	304	292
Miscellaneous	33	100
Total Revenue	<u>2,751</u>	<u>2,518</u>
<b>Expenses</b>		
Maintenance	195	436
Contracted Services	38	89
Miscellaneous	44	12
Depreciation and Depletion	918	858
Interest	525	538
Total Expenses	<u>1,720</u>	<u>1,933</u>
<b>Change in Net Assets</b>	<u>\$1,031</u>	<u>\$ 585</u>

## **Huron County Drain Commission**

Management's Discussion and Analysis (Continued)

### **Capital Assets**

The Drain Commission had approximately \$20 million in net capital assets at the end of the year. The infrastructure amount includes expenditures since 1980.

	<u>Governmental Activities</u> (in thousands)	
	<u>2007</u>	<u>2006</u>
Land Improvements	\$ 2,349	\$ 2,349
Work in Progress	1,279	1,394
Drainage Systems	27,845	25,718
Total	<u>\$31,473</u>	<u>\$29,461</u>

Land improvements during the year involved the completion of construction work on the Campau and Branches, the McMullen and Branches and Symons and Branches County Drains. New construction work began on the Coleman and Branches County Drain. These projects included pulling the side slopes of the drains on a 2:1 contour, installing erosion control structures, installing sediment control structures and the constructing and installation of culverts and bridges for road and landowner crossings.

The above referenced current projects consist of 2.5 miles of construction work on the Coleman and Branches County Drain, which is located in Verona Township.

### **Economic Factors and Next Year's Budget**

Huron County is fortunate to have an adequate amount of competent drain contractors that provide a stable and competitive market for drainage services. Areas of concern for the future are the continuing rise in cost of materials and supplies for our construction projects based on the rising cost of fuel and related oil products, steel and concrete products which may increase the cost of construction from our drain contractors and suppliers. A continuous rise in these prices may result in drain project postponements.

The Campau and Branches, the McMullen and Branches and Symons and Branches projects were completed in 2007. The Coleman and Branches project is expected to be completed by mid-summer of 2008.

Expected major construction projects upcoming in 2008 include construction work on the Schram and Branches County Drain located in Dwight, Hume, Lincoln, and Meade Townships and the Village of Kinde, Betty and Branches County Drain located in Port Austin Township and the Village of Port Austin, and the Maywood and Branches County Drain located in Verona Township and the City of Bad Axe.

## **Huron County Drain Commission**

Management's Discussion and Analysis (Continued)

### **Contacting the Drain Commission's Financial Management**

This financial report is designed to provide a general overview of the Drain Commission's finances and accountability of the public trust. Questions regarding any of the information provided in this report or requests for additional information should be addressed to the Deputy Drain Commissioner, Huron County Road Commission, 417 South Hanselman Street, Bad Axe, MI 48413.

## **BASIC FINANCIAL STATEMENTS**

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2007**

**ASSETS:**

Current assets:

Cash and investments \$ 6,115,362

Special assessments receivable 2,156,704

Noncurrent assets:

Special assessments 7,745,777

Notes Receivable 86,625

Capital assets (net of accumulated depreciation) 19,948,339

**TOTAL ASSETS**

36,052,807

**LIABILITIES:**

Current liabilities:

Accounts payable -

Due to other component units 48,277

Notes payable 273,442

Bonds payable 1,364,000

Interest payable 56,404

Advance from primary government 217,000

Deferred revenue 2,188,993

Noncurrent liabilities:

Notes payable 421,800

Bonds payable 9,334,000

Deferred revenue 7,745,775

**TOTAL LIABILITIES**

21,649,691

**NET ASSETS:**

Investment in capital fixed assets

net of related debt 8,555,097

Unrestricted 5,848,019

**TOTAL NET ASSETS**

\$ 14,403,116

The accompanying notes are an integral part of the financial statements.

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

PROGRAM EXPENSES:	
Public works - drains	
Maintenance expense	\$ 195,498
Contracted services	37,790
Miscellaneous expense	44,258
Depreciation expense	917,503
Interest expense	524,589
TOTAL PROGRAM EXPENSES	<u>1,719,638</u>
PROGRAM REVENUE:	
Capital grants and contributions	2,414,147
Investment earnings	304,347
Miscellaneous	32,112
TOTAL PROGRAM REVENUE	<u>2,750,606</u>
NET PROGRAM REVENUE	<u>1,030,968</u>
GENERAL REVENUE	-
CHANGE IN NET ASSETS	<u>1,030,968</u>
NET ASSETS - BEGINNING OF YEAR	13,372,148
NET ASSETS - END OF YEAR	<u><u>\$ 14,403,116</u></u>

The accompanying notes are an integral part of the financial statements.

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2007**

	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 3,976,532	\$ 2,138,830	\$ 6,115,362
Special assessments receivable	2,081,317	75,387	2,156,704
Due from other funds	13,578	799,001	812,579
Notes Receivable	86,625	-	86,625
Advance to Revolving Drain Fund	-	200,479	200,479
<b>TOTAL ASSETS</b>	<u><u>\$ 6,158,052</u></u>	<u><u>\$ 3,213,697</u></u>	<u><u>\$ 9,371,749</u></u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>			
<b><u>LIABILITIES:</u></b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	812,579	-	812,579
Due to other component units	-	48,277	48,277
Deferred revenues	2,107,348	81,646	2,188,994
<b>TOTAL LIABILITIES</b>	<u><u>2,919,927</u></u>	<u><u>129,923</u></u>	<u><u>3,049,850</u></u>
<b><u>FUND EQUITY:</u></b>			
Advance from County General Fund	-	217,000	217,000
Fund balance:			
Reserved for long-term advances	-	200,479	200,479
Unreserved - designated	3,238,125	2,666,295	5,904,420
<b>TOTAL FUND EQUITY</b>	<u><u>3,238,125</u></u>	<u><u>3,083,774</u></u>	<u><u>6,321,899</u></u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>\$ 6,158,052</u></u>	<u><u>\$ 3,213,697</u></u>	<u><u>\$ 9,371,749</u></u>

**HURON COUNTY DRAIN FUNDS  
RECONCILIATION OF THE BALANCE SHEET FUND BALANCE TO  
THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

Total governmental fund balance	\$ 5,904,420
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	19,948,339
Long-term liabilities are not due in the current period and therefore are not reported in the funds:	
Notes payable	(695,242)
Bonds payable	(10,698,000)
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds Balance Sheet.	(56,401)
<b>Net assets of governmental activities</b>	<u><u>\$ 14,403,116</u></u>

The accompanying notes are an integral part of the financial statements.



**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:			
Special assessments	\$ 2,345,098	\$ 69,048	\$ 2,414,146
Interest	218,852	85,496	304,348
Other	-	71,389	71,389
<b>TOTAL REVENUES</b>	<u>2,563,950</u>	<u>225,933</u>	<u>2,789,883</u>
EXPENDITURES:			
Construction and maintenance	-	953,414	953,414
Principal	1,696,817	-	1,696,817
Interest and fees	540,641	-	540,641
<b>TOTAL EXPENDITURES</b>	<u>2,237,458</u>	<u>953,414</u>	<u>3,190,872</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>326,492</u>	<u>(727,481)</u>	<u>(400,989)</u>
OTHER FINANCING SOURCES:			
Proceeds on borrowings	50,625	324,000	374,625
<b>NET CHANGE IN FUND BALANCE</b>	<u>377,117</u>	<u>(403,481)</u>	<u>(26,364)</u>
<b>FUND BALANCE - JANUARY 1</b>	2,861,008	3,069,776	5,930,784
<b>FUND BALANCE - DECEMBER 31</b>	<u><u>\$ 3,238,125</u></u>	<u><u>\$ 2,666,295</u></u>	<u><u>\$ 5,904,420</u></u>

**HURON COUNTY DRAIN FUNDS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

Net change in fund balance - total governmental funds	\$ (26,364)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense:	
Capital outlay incurred in the current year	643,917
Depreciation	(917,503)
Repayment of debt is an expenditure in governmental funds, but it reduces the long-term liabilities in the statement of net assets.	1,696,817
Loan proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing notes and bonds increases long-term liabilities and does not affect the statement of activities.	(374,625)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Decrease in interest payable	8,726
<b>Change in net assets of governmental activities.</b>	<u><u>\$ 1,030,968</u></u>

The accompanying notes are an integral part of the financial statements.

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity:**

Huron County Drain Commission--Each of the drainage districts within Huron County are established pursuant to the Drain Code of 1956 and are separate legal entities, with the power to contract, to sue and be sued, to hold, manage and dispose of real and personal property, etc. The statutory drainage board of Chapter 20 (MCL 280.461 et seq.) drainage districts consists of the drain commissioners, the chairperson of the county board of commissioners, and one other member of the board of commissioners. The statutory drainage board of Chapter 5 (MCL 280.101 et seq.) and Chapter 6 (MCL 280.121 et seq.) drainage districts consists of the State Director of Agriculture and the drain commissioners of each county involved in the project. The county drain commissioner has sole responsibility to administer the drainage district established pursuant to Chapter 3 (MCL 280.51 et seq.) and Chapter 4 (MCL 280.71 et seq.) of the Drain Code.

The drainage board or drain commissioners, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the county board of commissioners. The full faith and credit of the county may be given for the debt of the drainage district. There is created for each project petitioned for under the provisions of the Chapter 21 (MCL 280.511 et seq.) drainage districts, an augmented drainage board to consist of the members of the drainage board together with the chairman of the board of supervisors and the chairman of the board of county auditors of each county involved. The statutory drainage board of Chapter 8 (MCL 280.191 et seq.) drainage districts consists of the Drain Commissioner, the State Director of Agriculture, and the commissioners of each county involved.

In accordance with the provisions of the Governmental Accounting Standards Board GASB Statement No. 14, as amended by Statement No. 39, the Drain Funds are considered to be component units of Huron County for financial reporting purposes. The criteria established by GASB for determining the various governmental organizations to be included in the reporting entity's financial statements are discussed in the following paragraphs.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The reasons cited for including the Huron County Drain Funds as a component unit of Huron County (the primary government) include the appointment of a majority of the Road Commission's governing board, and the potential for a financial benefit or burden on the County.

**Related Organizations:**

The Board of County Road Commissioners is the appointed governing body of the Drain Funds of Huron County. It is also the appointed governing body of the Road Commission, Parks and Airport Funds and these funds are also component units of Huron County, but are not included in these financial statements. The component unit financial statements for the Road Commission, Parks and Airport Funds are issued in separate reports, which are available at the Huron County Road Commission office located at 417 S. Hanselman Street, Bad Axe, Michigan.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation:**

The government-wide financial statements (i.e., statement of net assets and statement of activities) are reported using the economic resource measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grant and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

(Continued)

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(CONTINUED)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

**Drain Assessments:**

Assessments are levied against property owners deemed to "benefit" from the creation of a drainage district. These assessments are used to repay long-term debt that was issued to finance major construction projects or the cost of maintenance work performed. The assessments are levied on each December 1<sup>st</sup> based on the allocated portion of the property's drain usage. These assessments have a final collection date of February 28 before they are added to the County's delinquent tax rolls. The delinquent assessments are purchased by the County's Revolving Tax Fund.

"At-large" assessments are paid by the County's General Fund and also by most of the townships, villages or cities in Huron County for drain costs that benefit the public rather than a specific land owner. Delinquent at-large assessments are not purchased by the County's Revolving Tax Fund.

These assessments are recorded as revenue for the year when current collections are completed, which is the fiscal year following the levy date of December 1.

**Depreciation:**

Capital outlays are recorded as expenditures of the Capital Projects Fund and as assets in the government-wide financial statements. Depreciation is recorded on capital assets on a government-wide basis using the straight line method and the following estimated useful life:

Drainage systems	30 years
------------------	----------

**Accounting Estimates:**

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**NOTE 2 – CASH AND INVESTMENTS**

Deposits are carried at cost. Deposits of the Drain Funds are at various banks in the name of the Huron County Treasurer. Michigan Compiled Laws Section 129.91, authorizes the County to deposit and invest in the accounts of Federally insured banks, credit unions and savings and loan associations; bonds, securities and other obligations of the United States; United States government or Federal agency obligation repurchase agreements; banker's acceptance of United States banks; mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan; and commercial paper rated by two standard rating agencies within the three highest classifications, which mature not more than 270 days after the date of purchase, and which involves no more than 50 percent of any one fund.

Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Drain Funds' deposits are in accordance with statutory authority. The Governmental Accounting Standards Board (GASB) Statement No. 3, as amended by Statement No. 40, risk disclosures for the Drain Funds' cash deposits are as follows:

(Continued)

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**Custodial Credit Risk – Deposits:**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Drain Fund's deposits may not be returned to it. The Drain Funds do not have a policy for custodial credit risk. At year end, the Drain Funds had \$71,117 of bank deposits (checking accounts, savings accounts or certificates of deposit).

For the purposes of these component unit financial statements, the extent of FDIC insurance coverage cannot be determined because some of the accounts are maintained by the Huron County Treasurer in pooled accounts, which include other County funds that are outside of the Drain Funds' reporting entity. These accounts are maintained at various banking institutions which are also used for deposits of other funds of the County of Huron.

**Custodial Credit Risk – Investments:**

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Michigan law and the Drain Funds investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments.

As of December 31, 2007, the Drain Funds had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Bank investment pools	\$ 2,230,617	Not rated	N/A
Bank investment pools	\$ 3,868,224	Aaa	Moody's

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Drain Funds have no investment policy that would further limit its investment choices.

**Concentration of Credit Risk:**

Concentration of credit risk is the risk of loss attributed to the magnitude of the Drain Funds' investments in a single issuer. By diversifying the investment portfolio, the impact of any potential losses from any one type of security or issuer will be minimized. More than 5% of the Drain Funds' investments are in bank investment pools which represent 100% of the Drain Funds' investments. The investment policy of the Drain Funds contains no limitations on the amount that can be invested in any one issuer or type of investment beyond that stipulated by Michigan law.

**Foreign Currency Risk:**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Drain Funds' has no foreign currency risk as it has no deposits or investments in foreign currency.

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(CONTINUED)**

**NOTE 3 – CAPITAL ASSETS**

Capital assets activity for the current year was as follows:

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007
Capital assets, not being depreciated -				
Land improvements	\$ 2,349,213	\$ -	\$ -	\$ 2,349,213
Construction in progress	1,394,030	176,583	1,327,745	242,868
Total capital assets, not being depreciated	<u>3,743,243</u>	<u>176,583</u>	<u>1,327,745</u>	<u>2,592,081</u>
Capital assets, being depreciated -				
Drainage systems	25,718,208	1,795,079	-	27,513,287
Less - accumulated depreciation for - Drainage systems	(9,239,526)	(917,503)	-	(10,157,029)
Total capital assets, being depreciated, net	<u>16,478,682</u>	<u>877,576</u>	<u>-</u>	<u>17,356,258</u>
Governmental activity capital assets, net	<u>\$ 20,221,925</u>	<u>\$ 1,054,159</u>	<u>\$ 1,327,745</u>	<u>\$ 19,948,339</u>

**NOTE 4 - LONG-TERM DEBT**

The Drain Funds' long-term indebtedness at December 31, 2007 includes the following:

**General Obligation Bonds:**

Bad Axe Drain Series 1994, interest at 5.5% to 5.9% due semi-annually, with principal due in annual installments of \$50,000 to \$75,000.	\$ 450,000
Cramp Drain Series 1994, interest at 5.7% to 5.9% due semi-annually, with principal due in annual installments of \$30,000.	60,000
Todd Drain Series 1994, interest at 6.6% to 6.9% due semi-annually, with principal due in annual installments of \$35,000.	105,000
Pitcher Drain Series 1996, interest at 5.0% due semi-annually, with principal due in annual installments of \$35,000 to \$40,000.	150,000
Allen Drain Series 1997, interest at 4.5% due semi-annually, with principal due in annual installments of \$100,000 to \$125,000.	550,000
Crumback Drain Series 1998, interest at 4.75% to 5.0% due semi-annually, with principal due in annual installments of \$20,000 to \$25,000.	140,000

(Continued)

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(CONTINUED)**

**NOTE 4 - LONG-TERM DEBT** (Continued)

General Obligation Bonds: (Continued)

Schram Drain Series 1998, interest at 4.65% to 5.0% due semi-annually, with principal due in annual installments of \$70,000.	420,000
Bay Port Drain Series 1998, interest at 4.5% to 4.75% due semi-annually, with principal due in annual installments of \$35,000 to \$40,000.	415,000
Lincoln Drain Series 1999, interest at 5.05% to 5.35% due semi-annually, with principal due in annual installments of \$35,000.	105,000
Shebeon Intercounty Drain Series 2000, interest at 5.4% to 5.5% due semi-annually, with principal due in annual installments of \$225,000.	675,000
Harbor Beach Consolidated Drain Series 2000, interest at 4.75% to 5.5% due semi-annually, with principal due in annual installments of \$50,000 to \$100,000.	975,000
Beaubien Drain Series 2000, interest at 4.95% to 5.15% due semi-annually, with principal due in annual installments of \$50,000.	200,000
Cameron Drain Series 2001, interest at 4.30% to 5.0% due semi-annually, with principal due in annual installments of \$30,000 to \$35,000.	205,000
Taft Drain Series 2002, interest at 3.80% to 4.45% due semi-annually, with principal due in annual installments of \$65,000 to \$70,000.	335,000
Filion Drain Series 2003, interest at 3.45% due semi-annually, with principal due in annual installments of to \$40,000.	440,000
East Branch of the Willow Creek Drain Series 2005, interest at 3.0% to 4.0% due semi-annually, with principal due in annual installments of \$125,000 to \$150,000.	1,925,000
Cook Drain Series 2005, interest at 3.05% to 4.35% due semi-annually, with principal due in annual installments of \$35,000.	350,000
Sebewaing River Intercounty Drain Series 2004, interest at 2.30% to 3.8% due semi-annually, with principal due in annual installments of \$110,000.	770,000
Campau Drain Series 2006, interest at 3.65% to 4.40% due semi-annually, with principal due in annual installments of \$45,000 to \$50,000.	675,000
McMullen Drain Series 2006, interest at 3.85% to 4.65% due semi-annually, with principal due in annual installments of \$50,000 to \$75,000.	1,000,000
Symons Drain Series 2006, interest at 4.0% to 4.125% due semi-annually, with principal due in annual installments of \$30,000 to \$35,000.	465,000
Coleman Drain Series 2007, interest at 3.9% to 4.95% due annually, with principal due in annual installments of \$19,000 to \$22,000.	288,000
	<u>\$ 10,698,000</u>

(Continued)

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

**NOTE 4 - LONG-TERM DEBT** (Continued)

Section 434 of Act 40 Special Assessment Notes Payable:

Weber Drain, due in annual installments of \$20,000, plus interest at 5.6%.	\$ 60,000
Boltzer Drain, due in annual installments of \$14,000, plus interest at 5.73%.	70,000
Stenton Drain, due in annual installments of \$13,400, plus interest at 6.2%.	67,000
Conkey Drain, due in annual installments of \$11,200, plus interest at 4.9% to 5.35%.	11,200
Grifka Drain, due in annual installments of \$10,400, plus interest at 4.8%.	20,800
Teddy Drain, due in annual installments of \$16,800, plus interest at 5.35%.	16,800
Fogle Drain, due in annual installments of \$11,083, plus interest at 5.5%.	33,250
Evans and Branches Drain, due in annual installments of \$9,700, plus interest at 5.11%.	67,900
Check and Branches Drain, due in annual installments of \$27,000, plus interest at 4.86%.	54,000
Mazure Drain, due in annual installments of \$12,900, plus interest at 5.23%.	25,800
Murray Drain, due in annual installments of \$8,333, plus interest at 5.45%.	41,667
Richardson Drain, due in annual installments of \$16,700, plus interest at 5.6%.	50,100
Frederick Drain, due in annual installments of \$5,900, plus interest at 4.1%.	71,300
Gettel Drain, due in annual installments of \$9,400, plus interest at 2.5%.	18,800
Schram Drain, due in one annual installment of \$50,625, plus interest at 2.5%.	50,625
Musselman Drain, due in one annual installment of \$36,000, plus interest at 5.76%.	36,000
	<u>\$ 695,242</u>

The following is a summary of changes in long-term debt of the Drain Funds for the year ended December 31, 2007:

General Obligation Bonds Payable:

<u>DRAIN</u>	<u>BALANCE</u> <u>1/1/07</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>12/31/07</u>
Bad Axe - Phase 1	\$ 75,000	\$ -	\$ 75,000	\$ -
Bad Axe - Phase 2	500,000	-	50,000	450,000
Cramp	90,000	-	30,000	60,000
Todd	140,000	-	35,000	105,000
Pitcher	190,000	-	40,000	150,000
Thompson	40,000	-	40,000	-
Allen	675,000	-	125,000	550,000

(Continued)

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

**NOTE 4 - LONG-TERM DEBT** (Continued)

General Obligation Bonds Payable: (Continued)

Crumback	165,000	-	25,000	140,000
Schram	490,000	-	70,000	420,000
Bay Port	450,000	-	35,000	415,000
Lincoln	140,000	-	35,000	105,000
Shebeon	900,000	-	225,000	675,000
Harbor Beach	1,025,000	-	50,000	975,000
Beaubien	250,000	-	50,000	200,000
Cameron	235,000	-	30,000	205,000
Taft	400,000	-	65,000	335,000
Filion	480,000	-	40,000	440,000
Willow Creek	2,075,000	-	150,000	1,925,000
Cook	385,000	-	35,000	350,000
Sebewaing River Intercounty	880,000	-	110,000	770,000
Campau	720,000	-	45,000	675,000
McMullen	1,050,000	-	50,000	1,000,000
Symons	465,000	-	-	465,000
Coleman	-	288,000	-	288,000
	<u>\$ 11,820,000</u>	<u>\$ 288,000</u>	<u>\$ 1,410,000</u>	<u>\$ 10,698,000</u>

Section 434 Notes Payable:

<u>DRAIN</u>	<u>BALANCE</u> <u>1/1/07</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>12/31/07</u>
Weber	\$ 80,000	\$ -	\$ 20,000	\$ 60,000
Boltzer	84,000	-	14,000	70,000
Stenton	80,400	-	13,400	67,000
Conkey	22,400	-	11,200	11,200
Grifka	31,200	-	10,400	20,800
Teddy	33,600	-	16,800	16,800
Fogle	44,334	-	11,083	33,251
Evans	77,600	-	9,700	67,900
Check	81,000	-	27,000	54,000
Mazure	38,700	-	12,900	25,800
Murray	49,999	-	8,333	41,666
Richardson	66,800	-	16,700	50,100
Frederick	77,200	-	5,900	71,300
Gettel	28,200	-	9,400	18,800
Schram	100,000	50,625	100,000	50,625
Musselman	-	36,000	-	36,000
	<u>\$ 895,433</u>	<u>\$ 86,625</u>	<u>\$ 286,816</u>	<u>\$ 695,242</u>



**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(CONTINUED)**

**NOTE 4 - LONG-TERM DEBT** (Continued)

Annual debt service requirements to maturity are as follows:

General Obligation Bonds Payable:

YEAR ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2008	\$ 1,364,000	\$ 433,533	\$ 1,797,533
2009	1,394,000	375,948	1,769,948
2010	1,339,000	314,931	1,653,931
2011	1,074,000	261,821	1,335,821
2012	989,000	217,411	1,206,411
2013-2017	3,070,000	619,771	3,689,771
2018-2022	1,468,000	118,400	1,586,400
	<u>\$ 10,698,000</u>	<u>\$ 2,341,815</u>	<u>\$ 13,039,815</u>

Section 434 Notes Payable:

YEAR ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2008	\$ 273,442	\$ 34,047	\$ 307,489
2009	158,817	22,174	180,991
2010	99,117	13,912	113,029
2011	51,333	8,409	59,742
2012	51,333	5,582	56,915
2013-2017	48,900	7,680	56,580
2018-2022	12,300	767	13,067
	<u>\$ 695,242</u>	<u>\$ 92,571</u>	<u>\$ 787,813</u>

**NOTE 5 - DUE FROM/TO OTHER COMPONENT UNITS**

Interfund receivable and payable balances at December 31, 2007 were as follows:

	<u>DUE FROM</u>	<u>DUE TO</u>
Drain Funds:		
Road Commission*	<u>\$ -</u>	<u>\$ 48,277</u>

\*The Road Commission is the operating fund of the Huron County Road Commission, which is a separate component unit of the County of Huron. The financial statements for the Huron County Road Commission are issued under separate cover. All amounts are expected to be repaid within one year.

**NOTE 6 - RISK MANAGEMENT**

The Drain Funds are exposed to various risks of loss related to torts and errors and omissions. The Drain Funds have obtained insurance coverage for these risks through the Huron County Road Commission as a member of the Michigan County Road Commission Self Insurance Pool, a public entity risk pool. The MCRCSIP currently operates as a common risk management and insurance program which charges annual premiums to its members for coverage. The pool is self-sustaining through member premiums and provides reinsurance through commercial companies for claims in excess of \$10 million for each insured event.

**SUPPLEMENTAL INFORMATION**

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2007**

	<u>DRAINS</u>	CHAPTER 21 <u>DRAINS</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,797,506	\$ 179,026	\$ 3,976,532
Special assessments receivable	1,690,582	390,735	2,081,317
Due from other funds	-	13,578	13,578
Notes Receivable	86,625	-	86,625
<b>TOTAL ASSETS</b>	<u><u>\$ 5,574,713</u></u>	<u><u>\$ 583,339</u></u>	<u><u>\$ 6,158,052</u></u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES:</u>			
Due to other funds	\$ 812,579	\$ -	\$ 812,579
Deferred revenues	1,708,893	398,455	2,107,348
<b>TOTAL LIABILITIES</b>	<u>2,521,472</u>	<u>398,455</u>	<u>2,919,927</u>
<u>FUND BALANCE:</u>			
Unreserved - designated	3,053,241	184,884	3,238,125
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 5,574,713</u></u>	<u><u>\$ 583,339</u></u>	<u><u>\$ 6,158,052</u></u>

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>DRAINS</u>	CHAPTER 21 <u>DRAINS</u>	<u>TOTAL</u>
REVENUES:			
Special assessments	\$ 1,815,670	\$ 529,428	\$ 2,345,098
Interest	207,654	11,198	218,852
TOTAL REVENUES	<u>2,023,324</u>	<u>540,626</u>	<u>2,563,950</u>
EXPENDITURES:			
Principal	1,361,817	335,000	1,696,817
Interest and fees	467,029	73,612	540,641
TOTAL EXPENDITURES	<u>1,828,846</u>	<u>408,612</u>	<u>2,237,458</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>194,478</u>	<u>132,014</u>	<u>326,492</u>
OTHER FINANCING SOURCES:			
Proceeds on borrowings	50,625	-	50,625
NET CHANGE IN FUND BLANACE	<u>245,103</u>	<u>132,014</u>	<u>377,117</u>
FUND BALANCE - JANUARY 1	2,808,138	52,870	2,861,008
FUND BALANCE - DECEMBER 31	<u><u>\$ 3,053,241</u></u>	<u><u>\$ 184,884</u></u>	<u><u>\$ 3,238,125</u></u>

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2007**

	<u>DRAINS</u>	<u>REVOLVING DRAINS</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,122,309	\$ 16,521	\$ 2,138,830
Special assessments receivable	75,387	-	75,387
Due from other funds	799,001	-	799,001
Preliminary drain expense - deferred	-	200,479	200,479
<b>TOTAL ASSETS</b>	<u><u>\$ 2,996,697</u></u>	<u><u>\$ 217,000</u></u>	<u><u>\$ 3,213,697</u></u>
<u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ -	\$ -	\$ -
Due to other component units	48,277	-	48,277
Deferred revenues	81,646	-	81,646
<b>TOTAL LIABILITIES</b>	<u>129,923</u>	<u>-</u>	<u>129,923</u>
<u>FUND EQUITY:</u>			
Advance from County General Fund	-	217,000	217,000
Reserved for long-term advances	200,479	-	200,479
Fund balance - designated	2,666,295	-	2,666,295
<b>TOTAL FUND EQUITY</b>	<u>2,866,774</u>	<u>217,000</u>	<u>3,083,774</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>\$ 2,996,697</u></u>	<u><u>\$ 217,000</u></u>	<u><u>\$ 3,213,697</u></u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>DRAINS</u>	<u>REVOLVING DRAINS</u>	<u>TOTAL</u>
REVENUES:			
Special assessments	\$ 69,048	\$ -	\$ 69,048
Interest	85,496	-	85,496
Other	71,389	-	71,389
TOTAL REVENUES	<u>225,933</u>	<u>-</u>	<u>225,933</u>
EXPENDITURES:			
Contracted work	457,344	-	457,344
Engineering	148,379	-	148,379
Legal	12,346	-	12,346
Materials	111,902	-	111,902
Maintenance	1,105	-	1,105
Vegetation spraying	50,790	-	50,790
Printing and publishing	3,219	-	3,219
Other	168,329	-	168,329
TOTAL EXPENDITURES	<u>953,414</u>	<u>-</u>	<u>953,414</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(727,481)</u>	<u>-</u>	<u>(727,481)</u>
OTHER FINANCING SOURCES:			
Proceeds on borrowings	324,000	-	324,000
NET CHANGE IN FUND BALANCE	<u>(403,481)</u>	<u>-</u>	<u>(403,481)</u>
FUND BALANCE - JANUARY 1	3,069,776	-	3,069,776
FUND BALANCE - DECEMBER 31	<u>\$ 2,666,295</u>	<u>\$ -</u>	<u>\$ 2,666,295</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**BAD AXE DRAIN - PHASE 2**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	5.60%	\$ 50,000	\$ 12,975	\$ 62,975
12/01/08	5.70%		11,550	11,550
06/01/09	5.70%	50,000	11,550	61,550
12/01/09	5.80%		10,100	10,100
06/01/10	5.80%	50,000	10,100	60,100
12/01/10	5.90%		8,625	8,625
06/01/11	5.90%	75,000	8,625	83,625
12/01/11	5.75%		6,469	6,469
06/01/12	5.75%	75,000	6,469	81,469
12/01/12	5.75%		4,313	4,313
06/01/13	5.75%	75,000	4,312	79,312
12/01/13	5.75%		2,156	2,156
06/01/14	5.75%	75,000	2,156	77,156
		<u>\$ 450,000</u>	<u>\$ 99,400</u>	<u>\$ 549,400</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**CRAMP DRAIN**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	5.80%	\$ 30,000	\$ 1,755	\$ 31,755
12/01/08	5.90%		885	885
06/01/09	5.90%	30,000	885	30,885
		<u>\$ 60,000</u>	<u>\$ 3,525</u>	<u>\$ 63,525</u>



**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**TODD DRAIN**  
**DECEMBER 31, 2007**

<u>PAYMENT</u> <u>DUE DATE</u>	<u>INTEREST</u> <u>RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	6.70%	\$ 35,000	\$ 3,570	\$ 38,570
12/01/08	6.80%		2,398	2,398
06/01/09	6.80%	35,000	2,397	37,397
12/01/09	6.90%		1,208	1,208
06/01/10	6.90%	35,000	1,207	36,207
		<u>\$ 105,000</u>	<u>\$ 10,780</u>	<u>\$ 115,780</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**PITCHER DRAIN**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	5.00%	\$ 35,000	\$ 3,750	\$ 38,750
12/01/08	5.00%		2,875	2,875
06/01/09	5.00%	40,000	2,875	42,875
12/01/09	5.00%		1,875	1,875
06/01/10	5.00%	35,000	1,875	36,875
12/01/10	5.00%		1,000	1,000
06/01/11	5.00%	40,000	1,000	41,000
		<u>\$ 150,000</u>	<u>\$ 15,250</u>	<u>\$ 165,250</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**ALLEN DRAIN**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	4.50%	\$ 125,000	\$ 12,375	\$ 137,375
12/01/08	4.50%		9,563	9,563
06/01/09	4.50%	125,000	9,562	134,562
12/01/09	4.50%		6,750	6,750
06/01/10	4.50%	100,000	6,750	106,750
12/01/10	4.50%		4,500	4,500
06/01/11	4.50%	100,000	4,500	104,500
12/01/11	4.50%		2,250	2,250
06/01/12	4.50%	100,000	2,250	102,250
		<u>\$ 550,000</u>	<u>\$ 58,500</u>	<u>\$ 608,500</u>

HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
SCHEDULE OF BONDED INDEBTEDNESS  
CRUMBACK DRAIN  
DECEMBER 31, 2007

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	4.70%	\$ 25,000	\$ 3,403	\$ 28,403
12/01/08	4.75%		2,815	2,815
06/01/09	4.75%	20,000	2,815	22,815
12/01/09	4.80%		2,340	2,340
06/01/10	4.80%	25,000	2,340	27,340
12/01/10	4.90%		1,740	1,740
06/01/11	4.90%	20,000	1,740	21,740
12/01/11	5.00%		1,250	1,250
06/01/12	5.00%	25,000	1,250	26,250
12/01/12	5.00%		625	625
06/01/13	5.00%	25,000	625	25,625
		<u>\$ 140,000</u>	<u>\$ 20,943</u>	<u>\$ 160,943</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**SCHRAM DRAIN**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	4.70%	\$ 70,000	\$ 10,202	\$ 80,202
12/01/08	4.75%		8,558	8,558
06/01/09	4.75%	70,000	8,557	78,557
12/01/09	4.80%		6,895	6,895
06/01/10	4.80%	70,000	6,895	76,895
12/01/10	4.90%		5,215	5,215
06/01/11	4.90%	70,000	5,215	75,215
12/01/11	5.00%		3,500	3,500
06/01/12	5.00%	70,000	3,500	73,500
12/01/12	5.00%		1,750	1,750
06/01/13	5.00%	70,000	1,750	71,750
		<u>\$ 420,000</u>	<u>\$ 62,037</u>	<u>\$ 482,037</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**BAY PORT DRAIN**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	4.75%	\$ 35,000	\$ 9,381	\$ 44,381
12/01/08	4.50%		8,550	8,550
06/01/09	4.50%	35,000	8,550	43,550
12/01/09	4.50%		7,763	7,763
06/01/10	4.50%	35,000	7,762	42,762
12/01/10	4.50%		6,975	6,975
06/01/11	4.50%	35,000	6,975	41,975
12/01/11	4.50%		6,188	6,188
06/01/12	4.50%	35,000	6,187	41,187
12/01/12	4.50%		5,400	5,400
06/01/13	4.50%	40,000	5,400	45,400
12/01/13	4.50%		4,500	4,500
06/01/14	4.50%	40,000	4,500	44,500
12/01/14	4.50%		3,600	3,600
06/01/15	4.50%	40,000	3,600	43,600
12/01/15	4.50%		2,700	2,700
06/01/16	4.50%	40,000	2,700	42,700
12/01/16	4.50%		1,800	1,800
06/01/17	4.50%	40,000	1,800	41,800
12/01/17	4.50%		900	900
06/01/18	4.50%	40,000	900	40,900
		<u>\$ 415,000</u>	<u>\$ 106,131</u>	<u>\$ 521,131</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**LINCOLN DRAIN**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	5.15%	\$ 35,000	\$ 2,756	\$ 37,756
12/01/08			1,855	1,855
06/01/09	5.25%	35,000	1,855	36,855
12/01/09			936	936
06/01/10	5.35%	35,000	937	35,937
		<u>\$ 105,000</u>	<u>\$ 8,339</u>	<u>\$ 113,339</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**SHEBEON INTERCOUNTY DRAIN**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	5.45%	\$ 225,000	\$ 18,450	\$ 243,450
12/01/08	5.45%		12,319	12,319
06/01/09	5.45%	225,000	12,319	237,319
12/01/09	5.50%		6,188	6,188
06/01/10	5.50%	225,000	6,187	231,187
		<u>\$ 675,000</u>	<u>\$ 55,463</u>	<u>\$ 730,463</u>



**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
SCHEDULE OF BONDED INDEBTEDNESS  
HARBOR BEACH CONSOLIDATED DRAIN  
DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	4.80%	\$ 50,000	\$ 25,550	\$ 75,550
12/01/08	4.85%		24,350	24,350
06/01/09	4.85%	75,000	24,350	99,350
12/01/09	4.90%		22,531	22,531
06/01/10	4.90%	75,000	22,531	97,531
12/01/10	5.00%		20,694	20,694
06/01/11	5.00%	75,000	20,694	95,694
12/01/11	5.10%		18,819	18,819
06/01/12	5.10%	75,000	18,819	93,819
12/01/12	5.20%		16,906	16,906
06/01/13	5.20%	75,000	16,906	91,906
12/01/13	5.30%		14,956	14,956
06/01/14	5.30%	75,000	14,956	89,956
12/01/14	5.35%		12,969	12,969
06/01/15	5.35%	75,000	12,969	87,969
12/01/15	5.40%		10,963	10,963
06/01/16	5.40%	75,000	10,962	85,962
12/01/16	5.50%		8,938	8,938
06/01/17	5.50%	75,000	8,937	83,937
12/01/17	5.50%		6,875	6,875
06/01/18	5.50%	75,000	6,875	81,875
12/01/18	5.50%		4,813	4,813
06/01/19	5.50%	75,000	4,812	79,812
12/01/19	5.50%		2,750	2,750
06/01/20	5.50%	100,000	2,750	102,750
		<u>\$ 975,000</u>	<u>\$ 356,675</u>	<u>\$ 1,331,675</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**BEAUBIEN DRAIN**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	5.00%	\$ 50,000	\$ 5,075	\$ 55,075
12/01/08			3,825	3,825
06/01/09	5.05%	50,000	3,825	53,825
12/01/09			2,563	2,563
06/01/10	5.10%	50,000	2,562	52,562
12/01/10			1,288	1,288
06/01/11	5.15%	50,000	1,287	51,287
		<u>\$ 200,000</u>	<u>\$ 20,425</u>	<u>\$ 220,425</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**CAMERON DRAIN**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	4.40%	\$ 30,000	\$ 4,799	\$ 34,799
12/01/08			4,139	4,139
06/01/09	4.50%	35,000	4,139	39,139
12/01/09			3,351	3,351
06/01/10	4.60%	35,000	3,351	38,351
12/01/10			2,546	2,546
06/01/11	4.70%	35,000	2,546	37,546
12/01/11			1,724	1,724
06/01/12	4.85%	35,000	1,724	36,724
12/01/12			875	875
06/01/13	5.00%	35,000	875	35,875
		<u>\$ 205,000</u>	<u>\$ 30,069</u>	<u>\$ 235,069</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**TAFT DRAIN**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	4.00%	\$ 65,000	\$ 7,160	\$ 72,160
12/01/08			5,860	5,860
06/01/09	4.20%	65,000	5,860	70,860
12/01/09			4,495	4,495
06/01/10	4.30%	65,000	4,495	69,495
12/01/10			3,098	3,098
06/01/11	4.40%	70,000	3,097	73,097
12/01/11			1,558	1,558
06/01/12	4.45%	70,000	1,557	71,557
		<u>\$ 335,000</u>	<u>\$ 37,180</u>	<u>\$ 372,180</u>

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
SCHEDULE OF BONDED INDEBTEDNESS  
FILION DRAIN  
DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	3.45%	\$ 40,000	\$ 7,590	\$ 47,590
12/01/08			6,900	6,900
06/01/09	3.45%	40,000	6,900	46,900
12/01/09			6,210	6,210
06/01/10	3.45%	40,000	6,210	46,210
12/01/10			5,520	5,520
06/01/11	3.45%	40,000	5,520	45,520
12/01/11			4,830	4,830
06/01/12	3.45%	40,000	4,830	44,830
12/01/12			4,140	4,140
06/01/13	3.45%	40,000	4,140	44,140
12/01/13			3,450	3,450
06/01/14	3.45%	40,000	3,450	43,450
12/01/14			2,760	2,760
06/01/15	3.45%	40,000	2,760	42,760
12/01/15			2,070	2,070
06/01/16	3.45%	40,000	2,070	42,070
12/01/16			1,380	1,380
06/01/17	3.45%	40,000	1,380	41,380
12/01/17			690	690
06/01/18	3.45%	40,000	690	40,690
		<u>\$ 440,000</u>	<u>\$ 83,490</u>	<u>\$ 523,490</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**EAST BRANCH OF THE WILLOW CREEK DRAIN**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	3.00%	\$ 150,000	\$ 34,075	\$ 184,075
12/01/08			31,825	31,825
06/01/09	3.00%	150,000	31,825	181,825
12/01/09			29,575	29,575
06/01/10	3.00%	150,000	29,575	179,575
12/01/10			27,325	27,325
06/01/11	3.50%	150,000	27,325	177,325
12/01/11			24,700	24,700
06/01/12	3.50%	150,000	24,700	174,700
12/01/12			22,075	22,075
06/01/13	3.50%	150,000	22,075	172,075
12/01/13			19,450	19,450
06/01/14	3.50%	150,000	19,450	169,450
12/01/14			16,825	16,825
06/01/15	3.60%	150,000	16,825	166,825
12/01/15			14,125	14,125
06/01/16	3.70%	150,000	14,125	164,125
12/01/16			11,350	11,350
06/01/17	3.80%	150,000	11,350	161,350
12/01/17			8,500	8,500
06/01/18	4.00%	150,000	8,500	158,500
12/01/18			5,500	5,500
06/01/19	4.00%	150,000	5,500	155,500
12/01/19			2,500	2,500
06/01/20	4.00%	125,000	2,500	127,500
		<u>\$ 1,925,000</u>	<u>\$ 461,575</u>	<u>\$ 2,386,575</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**COOK DRAIN**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	3.20%	\$ 35,000	\$ 6,773	\$ 41,773
12/01/08			6,212	6,212
06/01/09	3.40%	35,000	6,213	41,213
12/01/09			5,618	5,618
06/01/10	3.55%	35,000	5,618	40,618
12/01/10			4,996	4,996
06/01/11	3.70%	35,000	4,996	39,996
12/01/11			4,349	4,349
06/01/12	3.90%	35,000	4,349	39,349
12/01/12			3,666	3,666
06/01/13	4.00%	35,000	3,666	38,666
12/01/13			2,966	2,966
06/01/14	4.10%	35,000	2,966	37,966
12/01/14			2,249	2,249
06/01/15	4.20%	35,000	2,249	37,249
12/01/15			1,514	1,514
06/01/16	4.30%	35,000	1,513	36,513
12/01/16			761	761
06/01/17	4.35%	35,000	761	35,761
		<u>\$ 350,000</u>	<u>\$ 71,435</u>	<u>\$ 421,435</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**SEBEWAING RIVER INTERCOUNTY DRAIN**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	2.70%	\$ 110,000	\$ 12,870	\$ 122,870
12/01/08			11,385	11,385
06/01/09	3.00%	110,000	11,385	121,385
12/01/09			9,735	9,735
06/01/10	3.20%	110,000	9,735	119,735
12/01/10			7,975	7,975
06/01/11	3.40%	110,000	7,975	117,975
12/01/11			6,105	6,105
06/01/12	3.60%	110,000	6,105	116,105
12/01/12			4,125	4,125
06/01/13	3.70%	110,000	4,125	114,125
12/01/13			2,090	2,090
06/01/14	3.80%	110,000	2,090	112,090
		<u>\$ 770,000</u>	<u>\$ 95,700</u>	<u>\$ 865,700</u>



**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
SCHEDULE OF BONDED INDEBTEDNESS  
CAMPAU AND BRANCHES  
DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	3.70%	\$ 45,000	\$ 13,725	\$ 58,725
12/01/08			12,893	12,893
06/01/09	3.75%	45,000	12,893	57,893
12/01/09			12,049	12,049
06/01/10	3.80%	45,000	12,049	57,049
12/01/10			11,194	11,194
06/01/11	3.85%	45,000	11,194	56,194
12/01/11			10,328	10,328
06/01/12	3.90%	45,000	10,328	55,328
12/01/12			9,450	9,450
06/01/13	4.00%	50,000	9,450	59,450
12/01/13			8,450	8,450
06/01/14	4.05%	50,000	8,449	58,449
12/01/14			7,438	7,438
06/01/15	4.10%	50,000	7,437	57,437
12/01/15			6,413	6,413
06/01/16	4.15%	50,000	6,412	56,412
12/01/16			5,375	5,375
06/01/17	4.20%	50,000	5,374	55,374
12/01/17			4,325	4,325
06/01/18	4.25%	50,000	4,324	54,324
12/01/18			3,263	3,263
06/01/19	4.30%	50,000	3,262	53,262
12/01/19			2,187	2,187
06/01/20	4.35%	50,000	2,187	52,187
12/01/20			1,100	1,100
06/01/21	4.40%	50,000	1,100	51,100
		<u>\$ 675,000</u>	<u>\$ 202,649</u>	<u>\$ 877,649</u>

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
SCHEDULE OF BONDED INDEBTEDNESS  
McMULLEN AND BRANCHES  
DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	3.90%	\$ 75,000	\$ 21,194	\$ 96,194
12/01/08			19,731	19,731
06/01/09	3.95%	75,000	19,731	94,731
12/01/09			18,250	18,250
06/01/10	4.00%	75,000	18,250	93,250
12/01/10			16,750	16,750
06/01/11	4.05%	75,000	16,750	91,750
12/01/11			15,231	15,231
06/01/12	4.10%	75,000	15,231	90,231
12/01/12			13,694	13,694
06/01/13	4.15%	75,000	13,694	88,694
12/01/13			12,138	12,138
06/01/14	4.20%	75,000	12,138	87,138
12/01/14			10,563	10,563
06/01/15	4.25%	75,000	10,563	85,563
12/01/15			8,969	8,969
06/01/16	4.30%	75,000	8,969	83,969
12/01/16			7,356	7,356
06/01/17	4.40%	75,000	7,356	82,356
12/01/17			5,706	5,706
06/01/18	4.50%	75,000	5,705	80,705
12/01/18			4,019	4,019
06/01/19	4.55%	75,000	4,018	79,018
12/01/19			2,313	2,313
06/01/20	4.60%	50,000	2,312	52,312
12/01/20			1,163	1,163
06/01/21	4.65%	50,000	1,162	51,162
		<u>\$ 1,000,000</u>	<u>\$ 292,956</u>	<u>\$ 1,292,956</u>

**HURON COUNTY DRAIN FUNDS  
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN  
SCHEDULE OF BONDED INDEBTEDNESS  
SYMONS AND BRANCHES  
DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/08	4.00%	\$ 30,000	\$ 9,366	\$ 39,366
12/01/08			8,766	8,766
06/01/09	4.00%	30,000	8,766	38,766
12/01/09			8,166	8,166
06/01/10	4.00%	30,000	8,166	38,166
12/01/10			7,566	7,566
06/01/11	4.00%	30,000	7,565	37,565
12/01/11			6,966	6,966
06/01/12	4.00%	30,000	6,966	36,966
12/01/12			6,366	6,366
06/01/13	4.00%	30,000	6,365	36,365
12/01/13			5,766	5,766
06/01/14	4.00%	30,000	5,765	35,765
12/01/14			5,166	5,166
06/01/15	4.00%	30,000	5,165	35,165
12/01/15			4,566	4,566
06/01/16	4.00%	30,000	4,565	34,565
12/01/16			3,966	3,966
06/01/17	4.00%	30,000	3,965	33,965
12/01/17			3,366	3,366
06/01/18	4.00%	30,000	3,365	33,365
12/01/18			2,766	2,766
06/01/19	4.00%	30,000	2,765	32,765
12/01/19			2,166	2,166
06/01/20	4.125%	35,000	2,165	37,165
12/01/20			1,444	1,444
06/01/21	4.125%	35,000	1,443	36,443
12/01/21			722	722
06/01/22	4.125%	35,000	722	35,722
		<u>\$ 465,000</u>	<u>\$ 144,872</u>	<u>\$ 609,872</u>

**HURON COUNTY DRAIN FUNDS**  
**A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**COLEMAN AND BRANCH**  
**DECEMBER 31, 2007**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
6/1/08	3.90%	\$ 19,000	\$ 9,488	\$ 28,488
6/1/09	4.05%	19,000	12,100	31,100
6/1/10	4.10%	19,000	11,330	30,330
6/1/11	4.15%	19,000	10,551	29,551
6/1/12	4.20%	19,000	9,763	28,763
6/1/13	4.25%	19,000	8,965	27,965
6/1/14	4.35%	19,000	8,157	27,157
6/1/15	4.45%	19,000	7,330	26,330
6/1/16	4.55%	19,000	6,485	25,485
6/1/17	4.65%	19,000	5,620	24,620
6/1/18	4.70%	19,000	4,737	23,737
6/1/19	4.75%	19,000	3,844	22,844
6/1/20	4.85%	19,000	2,941	21,941
6/1/21	4.90%	19,000	2,020	21,020
6/1/22	4.95%	22,000	1,089	23,089
		<u>\$ 288,000</u>	<u>\$ 104,420</u>	<u>\$ 392,420</u>